

*[English]***Profit/Loss of Nationalised Banks**

546. SHRI MULLAPPALLY RAMACHANDRAN : Will the Minister of FINANCE be pleased to state:

(a) the profit and loss of each nationalised bank functioning in the country during 1996–97; and

(b) the steps being taken by the Government to make the banks more effective and remunerative?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI SATPAL MAHARAJ) : (a) As reported by the Reserve Bank of India Balance Sheet the net profit and loss of nationalised banks for the 1996–97 functioning in the country are given below:

Name of the Bank	Net Profit/Loss (Amount in Rs. Crores)
Allahabad Bank	64.3
Andhra Bank	35.7
Bank of Baroda	276.53
Bank of India	360.02
Bank of Maharashtra	47.26
Canara Bank	147.4
Central Bank of India	150.83
Corporation Bank	125.13
Dena Bank	72.91
Indian Bank	– 389.09
Indian Overseas Bank	104.51
Oriental Bank of Commerce	180.25
Punjab & Sind Bank	20.00
Punjab National Bank	237.71
Syndicate Bank	66.96
UCO Bank	–176.23
Union Bank of India	215.68
United Bank of India	–113.64
Vijay Bank	18.96

(b) Government and Reserve Bank of India (RBI) have been impressing upon the banks the need to strengthen their credit appraisal machinery and exercise close supervision and control over advances, take effective steps for improving recovery of non-performing assets as also reducing their overhead expenses. RBI/Government are monitoring the performance of the Nationalised banks periodically.

Over-Charges by Banks

547. SHRI RAJIV PRATAP RUDY : Will the Minister of FINANCE be pleased to state:

(a) whether attention of the Government has been drawn to the news-item captioned “50 banks under probe for over charging customers” appearing in the Indian Express, New Delhi dated October 11, 1997;

(b) whether the customers have been over-charged to the tune of hundreds of crores since 1991, taking advantage of the RBI circular issued in the year 1991;

(c) if so, the reasons therefor; and

(d) the action taken in this regard?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI SATPAL MAHARAJ) : (a) Yes, Sir.

(b) and (c) Reserve Bank of India (RBI) have reported that they had advised all banks on 2nd September, 1991 that they should pass on the incidence of the interest tax, ‘pro rata’ to their borrowers. The banks were also advised by the RBI to follow a uniform practice in this regard in consultation with the Indian Banks’ Association (IBA). The IBA by a circular dated 9th October, 1991 advised their member banks that the rates of interest might be loaded with the interest tax of 3% and rounded off to the next higher 0.25%.

(d) RBI have reported that a number of complaints were received stating that rounding off the tax on interest rates to the next higher 0.25% was not justified since the incidence of interest goes up to much higher levels than warranted by the levy of 3%. Considering the difficulties faced by the customers and organisations and the fact that the banks are free to determine their own Prime Lending Rate on advances above Rs. 2.00 lakhs, RBI is of the view that there is no need to follow uniform practice of rounding off interest tax thereon. Accordingly, RBI have issued instructions to scheduled commercial banks (excluding Regional Rural Banks) that the rate of interest with interest tax levied at 2% (since lowered from 3%) should not be rounded off.

Investment in Coal Sector

548. SHRI ANNASAHIB M.K. PATIL : Will the Minister of COAL be pleased to state:

(a) whether coal sector has remained starved of required level of investment due to restrictive provisions of Coal Mines Acts and Rules preventing private investment; and

(b) if so, the initiatives taken so far or proposed to be taken in the near future to encourage and facilitate massive investments needed in the coal sector and infrastructure